1 June 2023

Management Comments to the Internal Audit Report of WFP Operations in Benin (AR/23/06)

WFP Management welcomes the observations made by the Office of the Inspector General (OIG) in this internal audit report (AR/23/06) on WFP operations in Benin, covering the period from 1 September 2021 to 30 September 2022. WFP Management appreciates the focus on governance, digitalization, transport, commodity and non-governmental organization management, monitoring and community feedback mechanisms, contribution management, donor reporting, and finance.

WFP operations in Benin are defined by its country strategic plan (CSP) for the period 2019–2023, which supports the government’s vision to achieve food security and zero hunger, in alignment with national development priorities. WFP’s operations in Benin focus on scaling up the national integrated school feeding programme to reach more than 5,300 schools with the aim of strengthening community resilience and programme sustainability through the promotion of local procurement; and capacity strengthening to build capacity of national partners in view of the future transfer of the school feeding programme.

The audit focused on CSP activity 1 titled “provide integrated, inclusive and gender-transformative school meals programmes in targeted communities in a way that relies on and stimulates local production,” which accounted for 95 percent of total expenses during the audit period. The education system in Benin faces persistent challenges in improving literacy rates, the quality of education, and school infrastructure. The Government of Benin considers school meals to be essential to strengthening primary education and increasing retention rates, particularly among girls. A national school feeding programme has been in place since 2000, which over the years has been expanded to additional schools.

WFP Management welcomes the independent feedback provided by the audit team, acknowledging the structural and operational challenges faced by the country office due to lack of an adequate organizational structure to support the implementation of activities and the threat of spill-over effects from instability in the Central Sahel, and other pockets of volatility, particularly in the north of the country.

WFP Management recognizes the audit’s overall conclusion of “major improvement needed” and agrees with the four high-priority and four medium-priority observations contained in the audit report. WFP Management fully endorses the corresponding agreed actions and has initiated their implementation, with completion expected within the agreed timelines.

WFP Management agrees with the observations on governance, noting that plans are underway to align the country office’s organizational structure with corporate standards and in line with the results of the November 2022 strategic workforce review. The review recommended to undertake a skills gap analysis and develop a training plan across key functions; carry out a process-level review to ensure
adequate segregation of duties and oversight; and establish systems and processes to follow-up on recommendations emanating from the Regional Bureau for Western Africa.

WFP Management notes that actions are already underway to strengthen digitalization efforts in consultation with the Regional Bureau for Western Africa and relevant headquarters units, with the aim of developing and rolling out a comprehensive digitalization strategy across all country office activities.

In response to the observations on supply chain, the country office will perform a comprehensive logistics market assessment to: determine the conditions under which each contracting tariff system should be applied; and to reassess the methodology to establish transport rates based on an increased knowledge of prevailing market conditions. Other actions include strengthening monitoring and oversight on the use of the tariff system by systematically employing processes to ensure that variations to the transporter allocation plans are explained and approved by the country office logistics contract committee. The country office will use automated reporting functionalities for performance evaluations through the relevant corporate systems.

To address the observation on commodity management, the country office will work with the Regional Bureau for Western Africa to increase staffing capacities across logistics operations and establish additional access permissions to the commodity management system in warehouses. Logistics staff are expected to receive additional trainings in improved warehouse management practices, while measures to address all backlogs identified in recording commodity movements in WFP corporate systems will be advanced. The country office intends to implement clear protocols and coordination mechanisms for the timely reconciliation of data between the corporate systems used for commodity management and monitoring, and the investigation of unreconciled items.

The observation on non-governmental organisation management recognizes that cash-based transfer reconciliations, and procurement will require defining roles and responsibilities related to the management of non-governmental organizations. In response, the country office aims to: finalize non-governmental organization capacity assessments; develop a road map for spot-check reviews involving cross-functional collaboration; communicate findings to non-governmental organizations including follow-up of recommendations; and carry out timely non-governmental organization performance evaluations in line with corporate guidance.

As part of efforts to address the observation on monitoring and community feedback mechanisms, the country office will update the monitoring strategy to reflect the increased number of schools and the need to strengthen management oversight of monitoring activities performed by non-governmental organizations. Measures are also underway to strengthen procedures and tracking tools to better inform risk-based management decisions.

In response to the observation on contribution management and donor reporting, the country office in coordination with the Public Partnerships and Resourcing Division (PPR), will finalize reconciliation of confirmed contribution amounts as per the agreement, cash and in-kind received, and amounts registered against grants in the WFP system. Based on reconciliation results, the country office seeks to engage with the Corporate Finance Division (FIN) to address any accounting adjustments, as required. In addition, the country office intends to work with the Contribution Accounting and Donor Financial Reporting Branch (FINC) to better manage donor expectations regarding reporting requirements.

To address the observation on finance, the country office has already recruited an international Finance Officer and will regularly review invoices directly processed in the WFP Enterprise Resource
Planning System to ensure increased management oversight. Knowledge sessions are to be delivered to functional units on the various WFP procedures to process exceptional advance payments according to corporate guidance.

WFP Management will undertake regular reviews of outstanding agreed actions and provide updates through WFP’s corporate tracking tools. The WFP Regional Bureau for Western Africa will provide guidance and technical support to the country office, as required.

WFP Management would like to thank the Office of the Inspector General for its thorough analysis, and its excellent collaboration with the country office team. Implementation of the agreed actions will serve as a crucial instrument to improving operational effectiveness, as well as to further strengthen the governance, risk management and internal control processes of WFP’s operations in Benin.